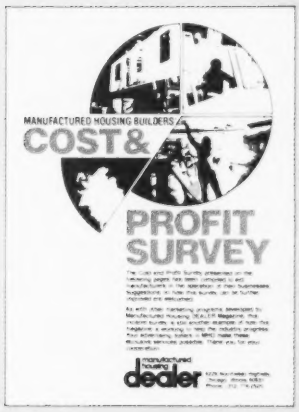
C8950-1

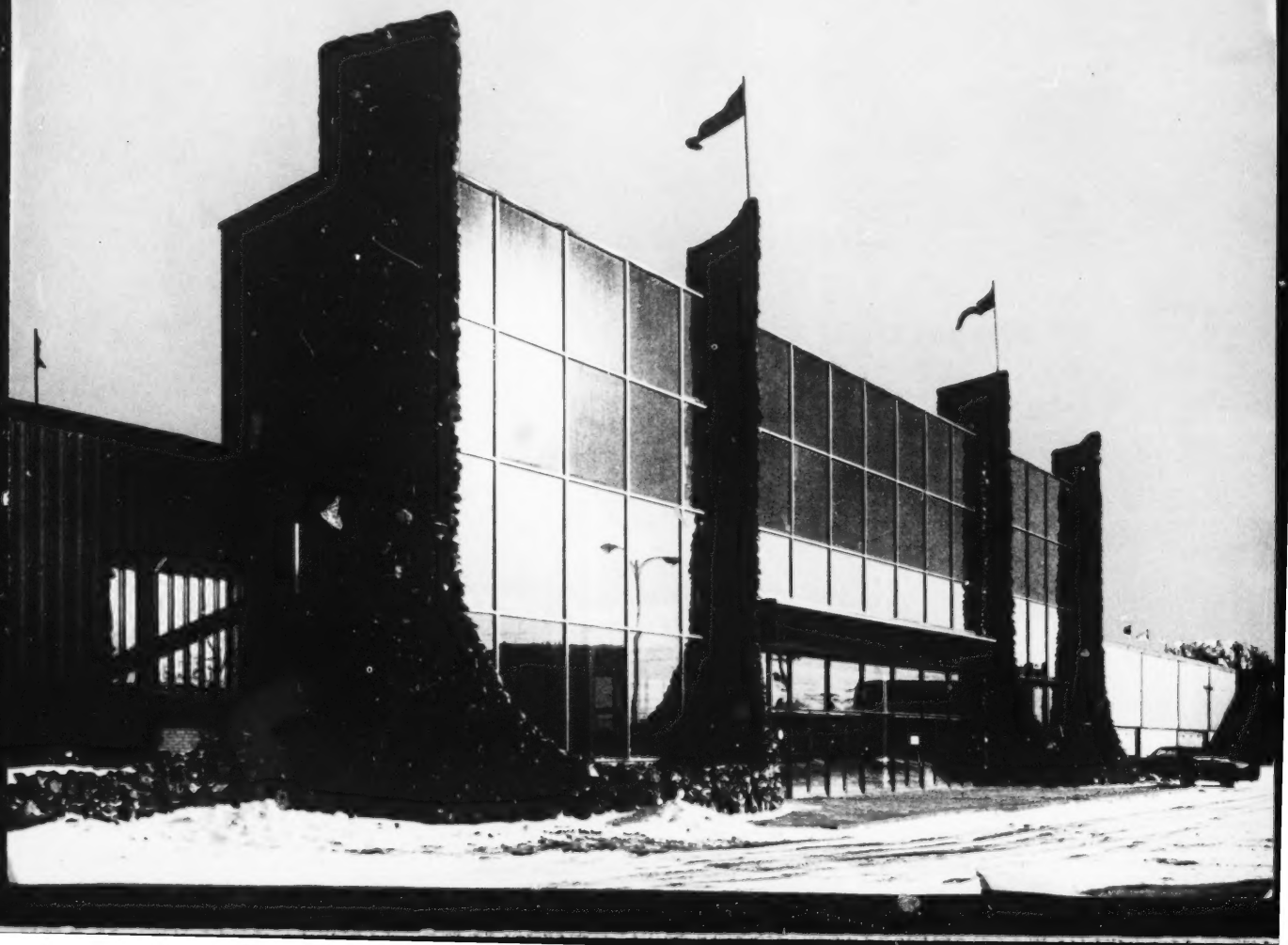
# manufactured housing dealer

SEPTEMBER 1979

## MHI SUPPLIERS SHOW

## FLORIDA'S Mobil Rama



# manufactured housing dealer

SEPTEMBER 1979 • VOLUME 31 • NUMBER 4

## CONTENTS


6 Editorial—Our Viewpoint

10 Capitol Insight/*Homa*

16 Industry Financial News

20 June Mobile Home Production & Shipment Figures

30 Manufacturers' Cost & Profit Survey

50 From the Federation/*Keyes*

55 Questions & Answers on the HUD Code/*Weckerle*

56 A Discussion of Industry Appliances/*Weckerle*

64 WDA Executive Conference

68 It's a Natural . . ./*Cole*

28 **MHI NATIONAL SUPPLIERS SHOW**

46 **MOBILRAMA '79**

75 **THE HARDISON INSTITUTE**
Business Outlook/*Huckvale*
Prospecting for Sales—II/*Schwepfinger*
The Full Financial Analysis/*Carr*
Management Superstar: John Foster
Land Development Outlook/*White*


## DEPARTMENTS


94 Advertisers Index
66 Associations
74 Calendar
92 Classified Advertising
72 Designs in Housing
40 Highlight News
42 New Products
22 People & Faces
95 Readers Service Card
4 Reader Response
19 West Coast Review
70 WMHI Corner



**MANUFACTURED HOUSING DEALER (USPS 356-360)**

MANUFACTURED HOUSING DEALER is the first magazine in the mobile—modular housing field devoted wholly to the trade aspects of the industry and is circulated exclusively to mobile home, modular manufacturers, suppliers, dealers and associated groups. It was the first audited trade publication (Business Publications Audit) serving the mobile housing industry.

MANUFACTURED HOUSING DEALER is published monthly on the 15th, except semi-monthly in January. Subscription rate: U.S. and Canada, $10.00 per year; Foreign $18.00 per year; single copy, $1.00. Advertising rate on request.

Controlled Circulation Postage Paid at Pontiac, Ill.

Form 3579 Requested. Send to 6229 Northwest Hwy., Chicago, Ill. 60631.

Address all communications to MANUFACTURED HOUSING DEALER, 6229 Northwest Highway, Chicago, Ill. 60631. Telephone: AC-312-774-2525.



**Copyright ©, 1979, Trailer Dealer Publishing Co.**



Publisher
**J. Brown Hardison**

Editor
**Renald J. Rooney**

Assistant Editor
**Anne Holmes Urban**

Editorial Assistant
**Vyvyan Ristoff**

Vice President, Sales Promotion
Advertising Production Manager
**Marian Hoglind**

Market Information Service
**Jeanette Donahue**
**Vi Black**

Executive Director
Hardison Institute
**Judith M. Carr**

Mabel Skobel
.....Advertising Assistant

Yun Baek
.....Art Director

Kathleen Shannon
.....Circulation Manager

Hildur Dahlgren
.....Office Manager

Contributing Editors
**Grier Lowry, Barry Wright, Prof. Carl Edwards, Marley Cole, Leonard Homa, Pamela Johnson, George Weckerle.**

**Main Office**—Michael Koeppe, 6229 Northwest Highway, Chicago, Illinois 60631 (312) 774-2525.

**West Coast Office**—Darrell McAfee, Mobile-Modular Housing Adv. Mgr., P.O. Box 3087, Mission Viejo, Calif. 92691, Ph: 714-581-0078; Robert Rounds, Editorial, 215 Euclid Ave., Long Beach, Calif. 90803, Ph: 213-438-1068.

**Midwest Regional Office**—Jerry E. Montgomery, Vice President & Mgr. of Advertising Sales; Cathleen Jones, Executive 500 Building, Suite 2A, Elkhart, Indiana 46514 (219) 294-6405.

**Southwest Regional Office**—Jerry Cox, 2639 Walnut Hill Lane, Suite 107, Dallas, TX 75229 (214) 357-2616.


ON THE COVER: The Manufactured Housing Institute's National Supplier Show returns to the Chicago area in September. This event should supply some indication of future industry output. Page 28. A popular service for our industry's builders is the Manufacturers' Cost & Profit Survey. Manufacturers can compare their operations with comparable companies. On page 30. Oldest of the shows in the South is staged by the Florida Mobile Home & RV Association, the Florida Mobilrama '79. Show officials are very optimistic about this October exhibit. See page 46.

# Manufacturer Output

## PRODUCTION OF MOBILE HOMES IN JUNE, 1979

| State | Single Wide | Multi-Wide | June '79 Total | June '78 Total | Percent Comparison | Year to Date 1979 | Year to Date Revised 1978 | Percent Comparison |
|---|---|---|---|---|---|---|---|---|
| Alabama | 1,272 | 202 | 1,474 | 1,663 | −11.37 | 8,586 | 8,410 | + 2.09 |
| Alaska* | | | | | | | | |
| Arizona | 354 | 263 | 617 | 563 | + 9.59 | 3,765 | 3,071 | + 22.60 |
| Arkansas | 275 | 26 | 301 | 388 | −22.42 | 1,711 | 2,070 | − 17.34 |
| California | 360 | 1,445 | 1,805 | 2,316 | −22.06 | 11,034 | 14,380 | − 22.85 |
| Colorado | 136 | 98 | 234 | 300 | −22.00 | 1,518 | 1,751 | − 13.31 |
| Connecticut | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 680 | 1,244 | 1,924 | 1,428 | +34.73 | 11,954 | 8,545 | + 39.89 |
| Georgia | 1,394 | 772 | 2,166 | 2,235 | − 3.09 | 12,555 | 11,578 | + 8.44 |
| Idaho | 433 | 346 | 779 | 920 | −15.33 | 4,220 | 5,125 | − 17.66 |
| Illinois* | | | | | | | | |
| Indiana | 2,971 | 301 | 3,272 | 3,198 | + 2.31 | 14,515 | 13,535 | + 7.24 |
| Iowa* | | | | | | | | |
| Kansas | 902 | 70 | 972 | 847 | +14.76 | 5,241 | 4,405 | + 18.98 |
| Kentucky* | | | | | | | | |
| Louisiana | 282 | 18 | 300 | 295 | + 1.69 | 1,762 | 1,751 | + .63 |
| Maine | 95 | 0 | 95 | 100 | − 5.00 | 418 | 421 | − .71 |
| Maryland* | | | | | | | | |
| Massachusetts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Michigan | 111 | 34 | 145 | 178 | −18.54 | 684 | 774 | − 11.63 |
| Minnesota | 225 | 87 | 312 | 395 | −21.01 | 1,772 | 1,963 | − 9.73 |
| Mississippi | 371 | 73 | 444 | 416 | + 6.73 | 2,392 | 2,231 | + 7.22 |
| Missouri | 139 | 81 | 220 | 240 | − 8.33 | 1,139 | 1,205 | − 5.48 |
| Montana* | | | | | | | | |
| Nebraska | 280 | 97 | 377 | 417 | − 9.59 | 1,976 | 2,044 | − 3.33 |
| Nevada | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire* | | | | | | | | |
| New Jersey | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Mexico | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 122 | 41 | 163 | 231 | −29.44 | 684 | 933 | − 26.69 |
| North Carolina | 1,409 | 382 | 1,791 | 1,612 | +11.10 | 9,568 | 8,459 | + 13.11 |
| North Dakota* | | | | | | | | |
| Ohio | 385 | 56 | 441 | 393 | +12.21 | 1,883 | 1,938 | − 2.84 |
| Oklahoma | 89 | 6 | 95 | 143 | −33.57 | 505 | 953 | − 47.01 |
| Oregon | 551 | 722 | 1,273 | 1,157 | +10.03 | 6,753 | 7,097 | − 4.85 |
| Pennsylvania | 1,369 | 170 | 1,539 | 1,426 | + 7.92 | 6,823 | 6,201 | + 10.03 |
| Rhode Island | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 32 | 27 | 59 | 79 | −25.32 | 347 | 383 | − 9.40 |
| South Dakota* | | | | | | | | |
| Tennessee | 527 | 169 | 696 | 719 | − 3.20 | 3,422 | 3,218 | + 6.34 |
| Texas | 2,549 | 357 | 2,906 | 2,929 | − .79 | 15,827 | 16,309 | − 2.96 |
| Utah* | | | | | | | | |
| Vermont* | | | | | | | | |
| Virginia | 251 | 42 | 293 | 302 | − 2.98 | 1,556 | 1,428 | + 8.96 |
| Washington | 119 | 168 | 287 | 308 | − 6.82 | 1,602 | 1,904 | − 15.86 |
| West Virginia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wisconsin | 602 | 62 | 664 | 813 | −18.33 | 3,091 | 3,864 | − 20.01 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DC & US Territory | 0 | 0 | 0 | 0 | 0 | 4 | 0 | +100.00 |
| States shown with (*) | 455 | 47 | 502 | 424 | +18.40 | 2,426 | 2,461 | − 1.42 |
| Canada | 0 | 0 | 0 | 0 | 0 | 18 | 0 | +100.00 |
| Totals | 18,740 | 7,406 | 26,146 | 26,435 | + 1.09% | 139,807 | 138,407 | + 1.01% |

***These states have less than three manufacturers. Figures are aggregated on the second line above "totals" to protect proprietary information.**

Figures used are those compiled by the National Conference of States on Building Codes and Standards.

# June Production and Shipments

Manufacturers' shipments of manufactured housing to dealers throughout the country during the month of June slipped below June of 1978 by 1.09%, as 26,146 homes were delivered compared to 26,435 in June of last year. Total shipments for the first six months of the year are ahead of last year by 1.01%.

**SHIPMENT OF MOBILE HOMES IN JUNE, 1979**

| State | Single Section | Multi-Section | June '79 Total | Revised June '78 Total | Percent Comparison | Year to Date 1979 | Year to Date Revised 1978 | Percent Comparison |
|---|---|---|---|---|---|---|---|---|
| Alabama | 483 | 130 | 613 | 782 | – 21.61 | 3,990 | 4,351 | – 8.30 |
| Alaska | 9 | 7 | 16 | 85 | – 81.18 | 78 | 435 | – 82.07 |
| Arizona | 399 | 328 | 727 | 613 | + 18.60 | 4,929 | 3,611 | + 36.50 |
| Arkansas | 212 | 32 | 244 | 290 | – 15.86 | 1,303 | 1,388 | – 6.12 |
| California | 312 | 1,204 | 1,516 | 2,056 | – 26.26 | 8,859 | 12,825 | – 30.92 |
| Colorado | 304 | 108 | 412 | 441 | – 6.58 | 2,268 | 2,274 | + .26 |
| Connecticut | 27 | 3 | 30 | 38 | – 21.05 | 164 | 159 | + 3.14 |
| Delaware | 137 | 9 | 146 | 113 | + 29.20 | 770 | 693 | + 11.11 |
| Florida | 872 | 1,399 | 2,271 | 1,757 | + 29.25 | 14,438 | 10,352 | + 39.47 |
| Georgia | 855 | 351 | 1,206 | 904 | + 33.41 | 5,313 | 4,824 | + 10.14 |
| Idaho | 196 | 126 | 322 | 290 | + 11.03 | 1,556 | 1,775 | – 12.34 |
| Illinois | 463 | 72 | 535 | 510 | + 4.90 | 2,143 | 2,401 | – 10.75 |
| Indiana | 570 | 75 | 645 | 696 | – 7.33 | 2,886 | 2,763 | + 4.45 |
| Iowa | 200 | 23 | 223 | 227 | – 1.76 | 955 | 1,107 | – 13.73 |
| Kansas | 261 | 36 | 297 | 295 | + .68 | 1,543 | 1,475 | + 4.61 |
| Kentucky | 663 | 95 | 758 | 725 | + 4.55 | 3,139 | 3,059 | + 2.62 |
| Louisiana | 747 | 74 | 821 | 1,170 | – 29.83 | 5,522 | 6,175 | – 10.57 |
| Maine | 181 | 8 | 189 | 183 | + 3.28 | 693 | 752 | – 7.85 |
| Maryland | 93 | 4 | 97 | 138 | – 29.71 | 572 | 617 | – 7.29 |
| Massachusetts | 59 | 7 | 66 | 85 | – 22.35 | 310 | 312 | – .64 |
| Michigan | 847 | 97 | 944 | 1,006 | – 6.16 | 4,176 | 4,457 | – 6.30 |
| Minnesota | 270 | 61 | 331 | 416 | – 20.43 | 1,678 | 2,121 | – 20.84 |
| Mississippi | 315 | 78 | 393 | 462 | – 14.94 | 2,357 | 2,201 | + 7.09 |
| Missouri | 297 | 89 | 386 | 450 | – 14.22 | 2,237 | 2,293 | – 2.44 |
| Montana | 165 | 51 | 216 | 296 | – 27.03 | 1,194 | 1,606 | – 25.65 |
| Nebraska | 118 | 37 | 155 | 159 | – 2.52 | 728 | 840 | – 13.33 |
| Nevada | 67 | 160 | 227 | 265 | – 14.34 | 1,605 | 1,656 | – 3.08 |
| New Hampshire | 84 | 5 | 89 | 125 | – 28.80 | 421 | 541 | – 22.18 |
| New Jersey | 66 | 9 | 75 | 83 | – 9.64 | 439 | 425 | + 3.29 |
| New Mexico | 264 | 62 | 326 | 405 | – 19.51 | 1,959 | 2,697 | – 27.36 |
| New York | 463 | 59 | 522 | 476 | + 9.66 | 1,955 | 2,066 | – 5.37 |
| North Carolina | 904 | 275 | 1,179 | 1,054 | + 11.86 | 6,438 | 5,792 | + 11.15 |
| North Dakota | 106 | 43 | 149 | 192 | – 22.40 | 620 | 797 | – 22.21 |
| Ohio | 785 | 116 | 901 | 809 | + 11.37 | 3,981 | 3,433 | + 15.96 |
| Oklahoma | 496 | 51 | 547 | 568 | – 3.70 | 3,052 | 2,894 | + 5.46 |
| Oregon | 270 | 387 | 657 | 681 | – 3.52 | 3,404 | 4,182 | – 18.60 |
| Pennsylvania | 787 | 113 | 900 | 883 | + 1.93 | 3,904 | 3,925 | – .54 |
| Rhode Island | 8 | 0 | 8 | 5 | + 60.00 | 40 | 44 | – 9.09 |
| South Carolina | 496 | 185 | 681 | 616 | + 10.55 | 3,669 | 3,259 | + 12.58 |
| South Dakota | 70 | 15 | 85 | 118 | – 27.97 | 463 | 600 | – 22.83 |
| Tennessee | 355 | 100 | 455 | 557 | – 18.31 | 2,618 | 2,617 | + .04 |
| Texas | 2,266 | 332 | 2,598 | 2,357 | + 10.22 | 13,600 | 13,319 | + 2.11 |
| Utah | 86 | 67 | 153 | 173 | – 11.56 | 830 | 947 | – 12.35 |
| Vermont | 54 | 1 | 55 | 55 | same | 257 | 264 | – 2.65 |
| Virginia | 367 | 94 | 461 | 551 | – 16.33 | 2,456 | 2,577 | – 4.70 |
| Washington | 471 | 608 | 1,079 | 1,065 | + 1.31 | 5,856 | 6,253 | – 6.35 |
| West Virginia | 384 | 66 | 450 | 562 | – 19.93 | 2,140 | 2,278 | – 6.06 |
| Wisconsin | 278 | 22 | 300 | 389 | – 22.88 | 1,541 | 1,725 | – 10.67 |
| Wyoming | 152 | 31 | 183 | 204 | – 10.29 | 980 | 969 | + 1.14 |
| DC & US Territory | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Export | 3 | 0 | 3 | 2 | + 50.00 | 23 | 34 | – 32.35 |
| Destination Pending | 403 | 101 | 504 | 53 | +850.94 | 3,755 | 247 | +1420.24 |
| Total | 18,740 | 7,406 | 26,146 | 26,435 | – 1.09% | 139,807 | 138,407 | + 1.01% |

# MANUFACTURERS' COST AND PROFIT SURVEY

**We thank the manufacturers of the industry's product for their cooperation in submitting the data for the presentation of this Cost and Profit Survey. As this study is published to aid the manufacturer in the operation of his business, we urge other manufacturers, not doing so, to participate in this project in the industry's interest. Comments on how to improve this study are welcomed and will be given serious consideration for inclusion in future surveys.**

Survey forms were sent to 420 mobile/modular manufacturers. Fifty-six of the 69 returned questionnaires were used to compile the date on the following pages. Some responding companies did not complete all the questions in some categories contained in the survey. And other questionnaires were not made part of the survey because the answers did not fit into the prescribed categories.

### Dollar Volume of Companies Reporting

| | | | |
|---|---|---|---|
| Less than One Million | 2 | 6-8 Million Dollars | 7 |
| 1-2 Million Dollars | 2 | 8-10 Million Dollars | 8 |
| 2-3 Million Dollars | 5 | 10-12 Million Dollars | 7 |
| 3-4 Million Dollars | 3 | 12-15 Million Dollars | 5 |
| 4-6 Million Dollars | 14 | 15-20 Million Dollars | 3 |

## COST OF GOODS SOLD

**(39 companies reporting a profit are used in this section)**

**COST OF MATERIALS:**

**Average of all companies reporting ... 65.51%**

| | |
|---|---|
| 8% show 45% to 60% | Average: 52.67% |
| 33% show 61% to 65.4% | Average: 62.85% |
| 46% show 66% to 70.3% | Average: 67.89% |
| 13% show 71% to 72.8% | Average: 71.56% |

**DIRECT LABOR:**

**Average of all companies reporting ... 10.98%**

| | |
|---|---|
| 46% show 6.8% to 10% | Average: 8.92% |
| 26% show 10.6% to 12% | Average: 11.21% |
| 23% show 12.5% to 15% | Average: 13.77% |
| 5% show Over 15% to 16% | Average: 15.90% |

**MANUFACTURING OR PLANT OVERHEAD:**

**Average of all companies reporting ... 7.60%**

| | |
|---|---|
| 26% show 1.5% to 4% | Average: 3.39% |
| 33% show 5.0% to 7% | Average: 6.24% |
| 28% show 8.0% to 10% | Average: 9.33% |
| 13% show 11.9% to 26% | Average: 13.20% |

**TOTAL COST OF GOODS SOLD:**

**Average of all companies reporting ... 84.10%**

| | |
|---|---|
| 18% show 74% to 80% | Average. 77.60% |
| 44% show 81% to 85% | Average: 83.22% |
| 33% show 86% to 89% | Average: 87.83% |
| 5% show 90% | Average: 90.00% |

**GROSS PROFIT ON SALES:**

**Average of all companies reporting ... 15.90%**

| | |
|---|---|
| 26% show 10% to 12% | Average: 11.16% |
| 23% show 13% to 15% | Average: 13.93% |
| 36% show 16% to 20% | Average: 17.57% |
| 15% show 21% to 26% | Average: 22.87% |

## OPERATING EXPENSES

**SELLING EXPENSE:**

**Average of all companies reporting ... 3.46%**

| | |
|---|---|
| 31% show 1.5% to 2% | Average: 1.95% |
| 25% show 2.5% to 3% | Average: 2.85% |
| 13% show 3.5% to 4% | Average: 3.80% |
| 31% show 4.5% to 7% | Average: 5.35% |

**GENERAL & ADMINISTRATIVE EXPENSE:**

**Average of all companies reporting ... 3.82%**

| | |
|---|---|
| 24% show .5% to 2% | Average: 1.90% |
| 41% show 2.5% to 4% | Average: 3.49% |
| 35% show 4.5% to 9% | Average: 6.14% |

**CORPORATE OVERHEAD FOR BRANCH PLANTS:**

**Average of all companies reporting ... 0.78%**

| | |
|---|---|
| 42% show .6% to 2.0% | Average: 1.56% |
| 33% show 2.5% to 3.0% | Average: 2.95% |
| 25% show 3.5% to 3.7% | Average: 3.57% |

**OTHER & MISCELLANEOUS EXPENSE:**

**Average of all companies reporting ... 1.19%**

| | |
|---|---|
| 42% show 0.8% to 1.0% | Average: .31% |
| 26% show 2.0% to 3.0% | Average: 2.32% |
| 11% show 3.5% to 4.0% | Average: 3.85% |
| 21% show 5.0% to 7.7% | Average: 6.25% |

**TOTAL OPERATING EXPENSE:**

**Average of all companies reporting ... 9.25%**

| | |
|---|---|
| 29% show 3% to 7% | Average: 5.94% |
| 41% show 8% to 10% | Average: 8.89% |
| 15% show 11% to 12% | Average: 11.53% |
| 15% show 13% to 16% | Average: 14.03% |

**NET INCOME BEFORE FEDERAL & STATE TAX:**

**Average of all companies reporting ... 6.65%**

| | |
|---|---|
| 36% show 1% to 5% | Average: 3.21% |
| 36% show 6% to 8% | Average: 7.06% |
| 13% show 9% to 10% | Average: 9.10% |
| 15% show 11% to 13% | Average: 11.67% |

**FEDERAL & STATE TAXES:**

**Average of all companies reporting ... 3.16%**

| | |
|---|---|
| 37% show .4% to 2% | Average: 1.45% |
| 37% show 3.0% to 4% | Average: 3.52% |
| 18% show 4.5% to 5% | Average: 5.01% |
| 8% show Over 5% to 6% | Average: 6.13% |

**NET INCOME:**

**Average of all companies reporting ... 3.49%**

| | |
|---|---|
| 31% show 0.4% to 2% | Average: 1.43% |
| 41% show 3.0% to 4% | Average: 3.39% |
| 15% show 4.5% to 5% | Average: 4.88% |
| 13% show 6.0% to 7% | Average: 6.40% |

# PROFITABILITY ANALYSIS

### Analysis of 3 companies in the $1 to $2 Million Volume

| | | |
|---|---|---|
| Materials | 60.33% | |
| Labor | 12.00% | |
| Manufacturing Overhead | 14.67% | |
| Gross Profit | | 13.00% |
| Operating Expense | 4.67% | |
| Net Profit before Taxes | | 8.33% |

### Analysis of 6 companies in the $2 to $4 Million Volume

| | | |
|---|---|---|
| Materials | 63.20% | |
| Labor | 12.58% | |
| Manufacturing Overhead | 7.77% | |
| Gross Profit | | 16.45% |
| Operating Expense | 9.72% | |
| Net Profit before Taxes | | 6.73% |

### Analysis of 8 companies in the $4 to $6 Million Volume

| | | |
|---|---|---|
| Materials | 66.13% | |
| Labor | 10.77% | |
| Manufacturing Overhead | 7.99% | |
| Gross Profit | | 15.11% |
| Operating Expense | 9.61% | |
| Net Profit before Taxes | | 5.50% |

### Analysis of 5 companies in the $6 to $8 Million Volume

| | | |
|---|---|---|
| Materials | 66.23% | |
| Labor | 10.15% | |
| Manufacturing Overhead | 7.75% | |
| Gross Profit | | 16.07% |
| Operating Expense | 10.00% | |
| Net Profit before Taxes | | 6.07% |

### Analysis of 5 companies in the $8 to $10 Million Volume

| | | |
|---|---|---|
| Materials | 65.98% | |
| Labor | 10.66% | |
| Manufacturing Overhead | 5.56% | |
| Gross Profit | | 17.80% |
| Operating Expense | 9.64% | |
| Net Profit before Taxes | | 8.16% |

### Analysis of 5 companies in the $10 to $12 Million Volume

| | | |
|---|---|---|
| Materials | 68.20% | |
| Labor | 9.30% | |
| Manufacturing Overhead | 5.42% | |
| Gross Profit | | 17.08% |
| Operating Expense | 10.06% | |
| Net Profit before Taxes | | 7.02% |

### Analysis of 4 companies in the $12 to $15 Million Volume

| | | |
|---|---|---|
| Materials | 66.23% | |
| Labor | 12.08% | |
| Manufacaturing Overhead | 7.42% | |
| Gross Profit | | 14.27% |
| Operating Expense | 7.42% | |
| Net Profit before Taxes | | 6.85% |

### Analysis of 3 companies in the $15 to $20 Million Volume

| | | |
|---|---|---|
| Materials | 64.10% | |
| Labor | 10.90% | |
| Manufacturing Overhead | 6.80% | |
| Gross Profit | | 18.20% |
| Operating Expense | 11.53% | |
| Net Profit before Taxes | | 6.67% |

# COMPENSATION SURVEY (YEARLY SALARIES)

**OWNER-MANAGER**

**(21 companies reporting)**

Salary Range: $22,000 to $120,000

Average for companies reporting: $52,571

67% below average 33% above average

14% between $22,000 and $ 25,000
14% between $26,000 and $ 30,000
24% between $32,000 and $ 40,000
14% between $45,000 and $ 50,000
34% between $55,000 and $120,000

## GENERAL MANAGER
**(33 companies reporting)**
Salary Range: $23,000 to $120,000
Average for companies reporting: $44,876
52% below average 48% above average

15% between $23,000 and $ 25,000
6% between $26,000 and $ 30,000
27% between $31,000 and $ 40,000
34% between $42,000 and $ 50,000
18% between $55,000 and $120,000

## SALES MANAGERS
**(48 companies reporting)**
Salary Range: $13,000 to $85,000
Average for companies reporting: $30,604
57% below average 43% above average

13% between $13,000 and $20,000
20% between $20,800 and $25,000
24% between $27,000 and $30,000
30% between $32,000 and $40,000
13% between $45,000 and $85,000

## ASSISTANT SALES MANAGER
**(12 companies reporting)**
Salary Range: $12,000 to $30,000
Average for companies reporting: $21,714
57% below average 43% above average

57% between $12,000 and $20,000
14% between $24,000 and $25,000
29% between $28,000 and $30,000

## PRODUCTION MANAGER
**(52 companies reporting)**
Salary Range: $11,700 to $48,000
Average for companies reporting: $25,802
56% below average 44% above average

6% between $11,700 and $15,000
15% between $16,500 and $20,000
35% between $20,800 and $25,000
21% between $27,000 and $30,000
19% between $35,000 and $40,000
4% between $40,500 and $48,000

## REGIONAL SALES MANAGER
**(11 companies reporting)**
Salary Range: $15,000 to $40,000
Average for companies reporting: $25,180
55% below average 45% above average

46% between $15,000 and $20,000
9% between $22,000 and $25,000
27% between $27,000 and $30,000
18% between $31,975 and $40,000

## PHONE SALESMAN
**(13 companies reporting)**
Salary Range: $11,700 to $42,000
Average for companies reporting: $20,975
58% below average 42% above average

58% between $11,700 and $20,000
25% between $24,000 and $25,000
17% between $27,500 and $42,000

## ROAD SALESMAN
**(21 companies reporting)**
Salary Range: $15,000 to $60,000
Average for companies reporting: $26,617
83% below average 17% above average

50% between $15,000 and $20,000
28% between $22,000 and $25,000
11% between $28,000 and $30,000
11% between $50,000 and $60,000

## ENGINEER
**(23 companies reporting)**
Salary Range: $10,000 to $30,000
Average for companies reporting: $18,414
64% below average 36% above average

68% between $10,000 and $20,000
23% between $21,000 and $25,000
9% between $26,000 and $30,000

## PURCHASING AGENT
**(51 companies reporting)**
Salary Range: $10,000 to $45,000
Average for companies reporting: $22,510
62% below average 38% above average

14% between $10,000 and $15,000
24% between $16,000 and $20,000
38% between $21,000 and $25,000
14% between $26,000 and $30,000
10% between $32,000 and $45,000

## ASSISTANT PURCHASING AGENT
**(23 companies reporting)**
Salary Range: $7,800 to $24,000
Average for companies reporting: $15,218
52% below average 48% above average

22% between $ 7,800 and $12,000
30% between $12,500 and $15,000
39% between $15,500 and $20,000
9% between $22,000 and $24,000

## DESIGNER
**(12 companies reporting)**
Salary Range: $10,000 to $36,000
Average for companies reporting: $18,889
56% below average 44% above average

22% between $10,000 and $12,000
22% between $13,000 and $15,000
22% between $18,000 and $20,000
34% between $22,000 and $36,000

## FOREMAN
**(46 companies reporting)**
Salary Range: $10,000 to $22,000
Average for companies reporting: $16,129
59% below average 41% above average

45% between $10,000 and $15,000
48% between $16,000 and $20,000
7% between $21,000 and $22,000

## ACCOUNTANT
**(31 companies reporting)**
Salary Range: $5,000 to $32,000
Average for companies reporting: $17,727
55% below average 45% above average

19% between $ 5,000 and $12,000
19% between $12,500 and $15,000
29% between $16,000 and $20,000
26% between $21,000 and $25,000
7% over $25,000 to $32,000

# DIRECT LABOR

**Total Employees reported by Manufacturers**

13% replied 9 to 50
40% replied 65 to 100
35% replied 101 to 200
12% replied 220 to 350

**How many production employees do you have?**

12% replied: 6 to 50 employees
28% replied: 57 to 75 employees
32% replied: 77 to 100 employees
14% replied: 110 to 150 employees
10% replied: 160 to 200 employees
4% replied: 201 to 300 employees

**How many employees in other than production capacity?**

25% replied: 3 to 10 employees
10% replied: 11 to 15 employees
39% replied: 16 to 25 employees
22% replied: 28 to 50 employees
4% replied: 51 to 110 employees

**What is direct labor's average weekly gross pay?**

14% replied: $140 to $150 weekly
30% replied: $156 to $175 weekly
28% replied: $176 to $200 weekly
18% replied: $208 to $240 weekly
10% replied: $253 to $275 weekly

**What is direct labor's average hourly gross pay?**

39% replied: $3.40 to $4.00 per hour
33% replied: $4.05 to $5.00 per hour
18% replied: $5.18 to $6.00 per hour
10% replied: $6.25 to $7.15 per hour
Average hourly gross pay: $4.64

**Do you use a piece work or bonus system?**

60% replied: Yes
40% replied: No

**How often is the bonus paid?**

93% replied: Weekly
7% replied: Monthly

**If you use a piece work or bonus system, how is it broken down?**

45% replied: Departmental basis
55% replied: Plant wide basis

**How much is the average weekly bonus?**

38% replied: $4.50 to $25 weekly
47% replied: $30 to $50 weekly
10% replied: $60 to $72 weekly
5% replied that it varied

# INSURANCE

**Do you furnish hospitalization insurance?**

96% replied: Yes
4% replied: No

**Are all employees covered in your hospitalization insurance?**

100% replied: Yes

**What part of the hospitalization cost do you pay?**

14% replied: 50%
11% replied: 55% to 75%
75% replied: 80% to 100%
(71% of the above 75% replied 100%)

**Do you furnish life insurance on employees?**

92% replied: Yes
8% replied: No

**If you do, how much is the insurance policy?**

35% replied: $ 1,000 to $4,000
38% replied: $ 5,000
18% replied: $ 6,000 to $8,000
9% replied: $10,000
(Other replies included: $50,000 depends; $35,000; yearly income; twice annual wages)

**What percentage of the life insurance policy do you pay?**

9% replied: 50%
5% replied: 55% to 85%
86% replied: 100%
(Other reply: 100% to management)

**Do you have a severance pay plan?**

6% replied: Yes
94% replied: No

**On what is severance pay based?**

Administrative and some plant employees
One week's pay
No set plan

**Do you have bereavement pay?**

27% replied: Yes
73% replied: No

**On what is bereavement pay based?**

57% replied: 3 days pay for immediate family
29% replied: 2 days pay for immediate family
14% replied: 1 day with pay for immediate family

**Do you have a pension plan for direct labor?**

25% replied: Yes
75% replied: No

**Do you have a pension plan for other employees?**
25% replied: Yes
75% replied: No

**Do you have a profit sharing plan for direct labor?**
22% replied: Yes
78% replied: No

**Do you have a profit sharing plan for other employees?**
39% replied: Yes
61% replied: No

# EXTRA COMPENSATION HOLIDAYS AND VACATIONS

**Do you pay time and a half for Saturday work?**
78% replied: Yes
8% replied: No
(14% replied yes if employee worked 40 hr. wk.)

**Do you pay time and a half for over eight hours, if the employee works less than 40 hours per week?**
31% replied: Yes
69% replied: No

**Do you give production or direct labor employees paid vacations?**
100% replied that they did.
42% One week after one-two years
36% Two weeks after one to five years
20% Three weeks after five to ten years
2% Four weeks after 15 to 20 years

**How many paid holidays do you give production employees per year?**
10% replied: 5 paid days
27% replied: 6 paid days
23% replied: 7 paid days
27% replied: 8 paid days
12% replied: 9 paid days
1% replied: 10 paid days

# RECOGNIZED HOLIDAYS

| | |
|---|---|
| Memorial Day | 14.5% |
| Labor Day | 15.0% |
| Veterans Day | .5% |
| Independence Day | 13.5% |
| Good Friday | 3.0% |
| Opening Day of Deer Season | 3.0% |
| Washington's Birthday | .5% |
| Thanksgiving | 15.0% |
| Christmas | 15.0% |
| New Year | 15.0% |
| Employee's Birthday | 2.0% |
| Floating Day | 1.0% |

**Do you give extra day on holidays?**

| Day after | Day before |
|---|---|
| 51% | 4% Thanksgiving |
| 2% | 12% Christmas |
| 0% | 6% New Year |
| 1% | 2% Labor Day |
| 1% | 0% Memorial Day |
| 1% | 0% Fourth of July |

# UNION QUESTIONS

**Do you have a Labor Union in your plant?**
15% Yes
85% No

**If you do, what is the name of the union?**
United Steel Workers; Allied Industry Workers; Carpenters of Western Pennsylvania; Intl. Assn. of Machinists & Workers; AFL/CIO District Council of Carpenters.

**How many employees are covered?**
25% replied: 2 to 25
50% replied: 60 to 95
12.5% replied: 96 to 150
12.5% replied: 151 to 185

**Do you have a right to work law in your state?**
14% replied: Yes
86% replied: No

**Do you have a union dues check-off system?**
14% replied: Yes
86% replied: No



For DeRose, circle 126 →